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7 AUG 1972

MEMORANDUM FOR: Chief, DD/S Plans Staff

SUBJECT : Annual Management Report

REFERENCE : DD/S 72-2741, dated 12 July 1972

1. Pursuant to the instructions set forth in reference, we are forwarding herewith The Annual Management Report for the Office of Security.

2. The attached report contains the following information:

- a. Section II - Priority Improvement Projects, (Tab A)
- b. Section IV - Automatic Data Processing (ADP) Improvements, (Tab B)
- c. Section V - Management of Federal Reports, (Tab C)
- d. Section VI - Productivity Improvements, (Tab D)
- e. Section VII - Cost Reductions, (Tab E)

3. We are not submitting to the Director of Personnel any nominees for Presidential Management Improvements Awards as detailed in Section VIII of Circular A-44, dated 24 May 1972.

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4. Please advise if any additional data is desired.



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Edward J. Osborn
Director of Security

Attachment:

OS Annual Management Report

Distribution:

Original & 1 - Addressee
1 - D/Security,
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OFFICE OF SECURITY
Annual Management Report.

4 August 1972

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SECTION II - PRIORITY IMPROVEMENT PROJECTS

1.

2.

3. a.

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b. To increase overall efficiency of operations in the administrative and financial areas by locating these functions where 90% of the workload and personnel are now centered.

c. Cost effectiveness analysis indicated a savings of from one-half to two-thirds of the present yearly rental should be realized, plus some reductions in communications and office operation expenses.

4.	<u>Performance</u> <u>Indicators</u>	-----Performance-----			-----Objectives-----	
		<u>BPRI</u>	<u>Base Year</u>	<u>Past Year</u> (FY 1972)	<u>Past Year</u> (FY 1972)	<u>Current Year</u> (FY 1973)
	a. Productivity*	NA				
	b. Service*					
	c. Quality*					
	d. Cost			\$10,751.25	\$10,751.25	

* The cost of developing and maintaining statistics to develop a quantitative analyses of these items would be prohibitive.

5. NA

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Performance - Past Year - This plan became fully operational with the beginning of FY 1972 since ICAP forms had been completed by practically all Security Careerists. This form has been utilized as one of the management tools in selecting Security Careerists for new assignments overseas, [redacted] or at Headquarters. While many specific assignments were not requested by Security Careerists, a review has determined that more than 58.6% of the 70 openings occurring during FY 1972 were filled by Careerists who had requested them. Because of lack of openings, all Careerists could not be assigned to the first choice expressed for their career progression, but an attempt was made to assign them to one of their choices if an opening developed.

Objectives - Past Year - This function was implemented for the purpose of allowing employees their desires for career advancement and to enable management to chart careers in accordance with the employees' desires and abilities.

Objectives - Current Year - It is planned to utilize this ICAP form more extensively in the future for career planning and management functions.

- b. Service - NA
 - c. Quality - NA
 - d. Cost - Since this Program was executed by existing personnel in conjunction with other personnel functions, it does not lend itself to cost analysis.
5. a. Performance was average due to surplus personnel situation occasioned by reduction in positions.
- b. None
 - c. This is a continuing program.

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SECTION II - PRIORITY IMPROVEMENT PROJECTS

1. Microfiche Program for retired files.
2. Security Records and Communications Division, Personnel Security Directorate, Office of Security files retirement program.
3. a. A microfilm operation for files reduction.
- b. Developed in compliance with the Executive-Director Comptroller's memorandum of 6 July 1971 to each Directorate to initiate aggressive and systematic action to reduce the net annual increase in the storage loads imposed on the Agency Records Center to zero. This project was selected after a file management study was conducted of SR&CD by the Support Service Staff. In a pilot project, 3 cubic feet of files were reduced to 3 1/2 linear inches of 4" by 6" microfiche diazo aperture cards. A requisition for a microfiche step and repeat camera, a microfiche reader and printer, and three microfiche readers were procured with FY 1972 funds just prior to the requisitioning deadline for the fiscal year.
- c. A highly useful program. The target is to achieve a net zero increase in retired files.

4. Performance Indicators	-----Performance-----			-----Objectives-----	
	<u>BPRI</u>	<u>Base Year</u> (FY 1971)	<u>Past Year</u> (FY 1972)	<u>Past Year</u> (FY 1972)	<u>Current Year</u> (FY 1973)
a. Productivity Net files retired to Records Center	N/A	10861	19645	19645	19645*

* The number of files to be microfiched in FY 73 to achieve net zero growth in OS holdings at the Records Center.

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Performance Indicators	-----Performance-----		-----Objectives-----	
	<u>BPRI</u>	<u>Base Year</u> (FY 1971)	<u>Past Year</u> (FY 1972)	<u>Current Year</u> (FY 1973)
b. Service**				
c. Quality**				
d. Cost**				

5. a. Reasons for short fall or above average performance - this data will be developed during FY 73.
- b. Corrective action initiated or required - not applicable to this report.
- c. Target date for improvement objective achievement - a net zero increase in retired files should be achieved by 30 June 1973, i. e. The number of files reactivated from the Records Center to be microfiched should equal the number of files retired. The microfiche project is beginning with the oldest files. The file retirement program initiated in 1959, also began with the oldest files. As of 30 June 1972, 245434 files have been retired to the Records Center.

** These items will be developed as the microfiche program is carried out in FY 73.

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SECTION IV - AUTOMATIC DATA PROCESSING (ADP) IMPROVEMENTS
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	<u>Identification of Program or Function</u>	<u>Description of Improvements</u>
1. Significant improvements in the performance level of a program or function as a result of using ADP capability:		
a. Planned for current year.	Case Processing and Evaluation Reports- Office of Security (CAPER-OS).	One of 16 systems in the DDS Manpower Control System to provide on-line input/output control on case processing and off-line management studies on resource utilization. The on-line target date is 1 October 1973 with a follow-on 9 month period in which the system's data bank will be built.
b. Achieved during the past year.	None.	
2. Significant improvements in the management of computer facilities and resources:		
a. Planned for current year.	None.	
b. Achieved during past year.	ADPE used for the SANCA, SPECLE, SEADORS and USAINTC/ NACC Telecom Link	4 UNIVAC 1701-04 VP Key Punch/Verifiers were substituted for 1 IBM 029 Key Punch and 6 IBM 059 Verifiers resulting in lower net rental costs, savings in space, better maintenance/service by the lessor, and more efficient use of the equipment.

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~~SECTION 7 - SELECTED INFORMATION~~

1. a. Administer on a decentralized basis, in accordance with regulated policies, to insure the economical creation and control of essential reports and prevent the creation of nonessential reports.
- b. Eliminate reports of marginal value, consolidate and simplify existing reports and systems, economically prepare and process reports and set forth specific information requirements.
- c. The Records Administration Officer as part of his responsibilities as set forth in HR [] will develop and maintain, on a continuing basis, a system of managing administrative reports.
2. Cost of reports:

Reporting Category	July 1, 1972	July 1, 1973	Difference
a. Public Reporting (man-hours)	- 0 -	- 0 -	- 0 -
b. Interagency Reporting (dollars)	\$ 3,596.64	\$ 3,596.64	- 0 -
c. Internal Reporting (dollars)	\$78,680.87	\$84,039.34	\$5,358.47*

*

Increase Due To:

- a. Requirement by DDS for Annual Report from Office of Security.
- b. Requirement for Annual Management Report in response to OMB Circular A-44 (Revised).

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SECTION VI - PRODUCTIVITY IMPROVEMENTS

	<u>Identification of Program or Function</u>	<u>Description of Improvement</u>
1.	Significant improvements in the productivity of operations planned for the current year (FY 73).	<p>a. Mobile Shelving Program</p> <p>At present the total capacity of fixed open shelf filing is 15,429 linear feet, of which approximately 2400 linear feet is empty. Mobile shelving in one area of 4320 linear feet of fixed open shelf filing will increase capacity to 8400 linear feet - an increase of 94%. The resulting 2800 three foot filing sections, with an average capacity of 100 files each could hold 280,000 additional dossiers. In terms of the average net growth of dossiers for FY 68 through FY 72 (18,300 dossiers), space for shelving files would not be exhausted until 1987.</p> <p>b. Microfiche Program</p> <p>See Section II. for retired files.</p>
2.	Significant improvements in the productivity of Government operations achieved in the past year.	None.

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SECTION VI - PRODUCTIVITY IMPROVEMENTS

1. Security Reindoctrination Program #4.

The Training Branch of the Office of Security is now in the process of preparing Security Reindoctrination Program Number 4. These reindoctrination courses are prepared and given on an approximate 5-year cyclical basis. It is planned to have this program completed and ready for presentation prior to the end of the calendar year and to start presentation on a daily basis early in 1973. The purpose of this program is to present this Reindoctrination Program to all Agency employees who have been on duty five years or more, to reindoctrinate all employees on new and/or continuing tradecraft requirements necessary to maintain the security of Agency units both personal and physical, and to reaffirm the necessity of maintaining or hardening Agency security by explaining new or continuing threats which have arisen or have continued since our last Security Reindoctrination Course was prepared.

2. NA

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SECTION VII - COST REDUCTIONS

1. Overall cost reduction dollar savings goal for current year. \$75,000 (est)
2. Overall cost reduction dollar savings achieved or estimated for: ---

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit			
b. Reprogrammed to finance other approved requirements	\$317,480.00		
c. Placed in reserve or applied to reducing the President's budget			

3. By implementing a refurbishing technique for two "Fast-Rand" drums that contained TOP SECRET Code-word data, the Information Processing Branch was able to effect a one-time savings of \$158,740 for each of two such drums. The drums had been damaged and were inoperative in the NPIC computer systems. This precluded the proper overwriting of data previously recorded on the magnetic surface of the drum. The procedure that was established was one where the drums were "refurbished" by grinding off all of the magnetic material in a precision fashion so that the drums could be "remade" as though the drums were being built for the first time. The cost of preparing the drums in this fashion for the refurbishing was \$5,700 for each drum. Had such a procedure not been possible, the Agency would have had to destroy the drums to protect the classified information and pay the full purchase price of \$164,640. This resulted in an effective dollar savings of \$158,740 for each drum; i. e., a total of \$317,480.

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SECTION VII - COST REDUCTIONS

1. Overall cost reduction dollar savings goal for current year. \$75,000 (est)
2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit			
b. Reprogrammed to finance other approved requirements		\$75,000 (est)	
c. Placed in reserve or applied to reducing the President's budget			

3. Action Changed the specifications for securing the dedicated signal floor cells which will house the gray line telephone cables upon removal of the All Source Center's turnstile barriers. The new specification, equally secure, involves the securing of the holes into the signal cells with the existing cover plates and "shoe boxes" which, in turn, are riveted to the cell.

Achievement The original security specification called for procuring over 1600 special new cover plates for the floor cells as well as about 500 special terminal inserts at an estimated cost of at least \$48,000. The total cost of securing the cells was budgeted at \$110,000. By changing the security specification, the entire equipment cost of \$48,000 plus a substantial part of the \$62,000 estimated labor cost will be saved.

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 SECTION VII - COST REDUCTIONS

1. Overall cost reduction dollar savings goal for current year (FY 73): \$1140 savings was realized by substituting 4 UNIVAC 1701-04 VP Key Punch/Verifiers for 1 IBM 029 Key Punch and 6 IBM 059 Verifiers.

2.	<u>Use of Savings</u>	<u>Past Year (FY 72)</u>	<u>Current Year (FY 73)</u>	<u>Budget Year (FY 74)</u>
a.	Finance other approved requirements of the reporting unit.	N/A	N/A	N/A
b.	Reprogrammed to finance other approved requirements.	N/A	N/A	N/A
c.	Placed in reserve or applied reducing the President's budget.	\$1140 less was needed under the rental contracts involved.	The amount requested for rental fees can be reduced by \$1140.	Subject to any increase in rental fees the amount requested for rental fees can be reduced by \$1140.

3. Summary descriptions of past year cost reduction achievements when the achievement:
 - a. Has applicability to other departments and agencies; or
 - b. Has a significant estimated budgetary effect in the current or budget year.

Under a) above: (1) The UNIVAC equipment utilizes less space; (2) more efficient use can be made of the equipment since a completed operation can be performed at the UNIVAC equipment while the IBM equipment required physical movement from one machine to another; and (3) the UNIVAC maintenance/service has been excellent during the past year (FY 72). This may be explained by the fact that the overall UNIVAC rental contract includes an increment for maintenance/service where IBM's did not. Hence UNIVAC has costed out maintenance/service and provides it when IBM did not and reluctantly responded for maintenance/service when called upon. This savings does not have a significant estimated budgetary effect in the current or budget year.

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OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	C/EPD	4 - AUG 1972	<i>[Signature]</i>
2	AC/ES	4 AUG 1972	<i>[Signature]</i>
3	D/Security	7 AUG 1972	<i>[Signature]</i>
4	ADD/Security	7 AUG 1972	<i>[Signature]</i>
5			
6	DC/EPD (via Sue 3E-29)		<i>[Signature]</i>

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

Directorate and Staff submissions not attached because of their volume.

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4 Aug 72

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